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THE INFLUENCE OF ENTREPRENEURSHIP EDUCATION ON CAREER  
INTENTION AND SKILLS ACQUISITION AMONG THE  
UNDERGRADUATE STUDENTS IN KELANTAN

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DISSERTATION SUBMITTED IN FULFILLMENT OF THE REQUIREMENT  
FOR THE DEGREE OF MASTER OF EDUCATION (BUSINESS  
MANAGEMENT)  
(MASTER BY MIXED MODE)

FACULTY OF MANAGEMENT AND ECONOMICS  
SULTAN IDRIS EDUCATION UNIVERSITY

2019



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## ABSTRACT

This research examines the influence of entrepreneurship education on career intention and skills acquisition among the undergraduates (bachelor's degree and diploma) in Kelantan. Descriptive and multivariate regression analyses were adopted in this research. The sample for this research comprised of 364 undergraduates in Universiti Malaysia Kelantan (UMK), Pengkalan Chepa and Universiti Teknologi Mara (UiTM), Kota Bharu and questionnaire were used to collect data. The result obtained from descriptive analysis showed that there was a positive relationship of entrepreneurship education on career intention and skills acquisition. Meanwhile multivariate regression analysis showed that there was significant influence of entrepreneurship education on career intention ( $r^2 = 73.8\%$ ) and skills acquisition ( $r^2 = 75.3\%$ ). The implication of this study suggested that entrepreneurship education must be carefully designed so that career intention and skills acquisition can be enhanced in line with the government aspiration to increase graduate employability.





## **PENGARUH PENDIDIKAN KEUSAHAWANAN KEATAS NIAT BEKERJAYA DAN PEMEROLEHAN KEMAHIRAN DALAM KALANGAN MAHASISWA (SARJANA MUDA DAN DIPLOMA) DI KELANTAN**

### **ABSTRAK**

Kajian ini mengkaji pengaruh pendidikan keusahawanan ke atas niat bekerja dan pemerolehan kemahiran dalam kalangan mahasiswa (sarjana muda dan diploma) di Kelantan. Analisis deskriptif dan regresi multivariat telah digunakan dalam kajian ini. Sampel bagi kajian ini merangkumi 364 mahasiswa Universiti Malaysia Kelantan (UMK), Pengkalan Chepa dan Unversiti Teknologi Mara (UiTM), Kota Bharu. Soal selidik digunakan untuk mengumpul data. Dapatan analisis deskriptif menunjukkan terdapat hubungan positif antara pengaruh pendidikan keusahawanan ke atas niat bekerja dan pemerolehan kemahiran. Analisis regresi multivariat pula menunjukkan bahawa terdapat pengaruh pendidikan keusahawanan yang signifikan ke atas niat bekerja ( $r^2 = 73.8\%$ ) dan pemerolehan kemahiran ( $r^2 = 75.3\%$ ). Implikasi kajian ini menyarankan agar pendidikan keusahawanan harus direka bentuk dengan teliti supaya niat bekerja dan pemerolehan kemahiran boleh ditingkatkan selari dengan aspirasi kerajaan untuk meningkatkan kebolehpasaran graduan.



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## LIST OF ABBREVIATIONS

|        |                                       |
|--------|---------------------------------------|
| BAT    | British American Tobacco              |
| BNMAR  | Bank Negara Malaysia Annual Report    |
| ETR300 | Fundamentals of Entrepreneurship      |
| GEM    | Global Entrepreneurship Monitor       |
| GST    | Goods and Services Tax                |
| HLIs   | Higher Learning Institutions          |
| ITM    | Institut Teknologi Mara               |
| ILP    | Institut Latihan Perindustrian        |
| IKM    | Institut Kemahiran Mara               |
| IKBN   | Youth Training Institute              |
| KEMUSA | Kembara Usahawan                      |
| LPKS   | Pas Lawatan Kerja Sementara           |
| MOHE   | Malaysian of Higher Education         |
| MEB    | Malaysian Education Blueprint         |
| NAT    | Need of Achievement Theory            |
| NAPEP  | National Property Eradication Program |
| NEP    | New Economic Policy                   |
| NEM    | New Economic Model                    |
| NUC    | National Universities Commission      |
| RTT    | Risk Taking Theory                    |





|        |   |
|--------|---|
| SCCT   | Social Cognitive Career Theory                  |
| SEM    | Structural Equation Modelling                   |
| SPSS   | Statistical Package Social Sciences             |
| SMEDAN | Small and Medium Enterprise Development Agency  |
| SL1M   | Skim Latihan 1 Malaysia                         |
| TVET   | Technical and Vocational Education and Training |
| UMK    | Universiti Malaysia Kelantan                    |
| UiTM   | Universiti Teknologi Mara                       |
| UPSI   | Sultan Idris Education University               |





## LIST OF APPENDICES

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- B        SAMPLE OF QUESTIONNAIRE
- C        SPSS FINDINGS
- D        LITERATURE MATRIX
- E        COPY OF SLIDE
- F        COPY OF JOURNAL PUBLICATION
- G        VALIDATION OF STUDENT STATUS LETTER
- H        STUDENT VERIFICATION FOR CONDUCTING RESEARCH LETTER





## CHAPTER 1

### INTRODUCTION



#### 1.1 Introduction

In today's highly competitive employment landscape, entrepreneurship education is seen as a successful key for undergraduate students to become an entrepreneur in the future. For example, Van Praag and Versloot, (2007) have indicated that entrepreneurs can bring a high quality of innovations to the market that delivers the impact to employment growth rates. They reviewed that entrepreneur produces comparatively more employment and the entrepreneur has a higher utility level than common employees. Entrepreneurship education has contributed more benefits to individuals. The entrepreneurs create jobs for themselves as well as create the job opportunities for the unemployed (Kelly, Singer & Herrington, 2012). In order for a





student to remain competitive, having the knowledge regarding the entrepreneurship education is equally important, thus these aspects need to be taken seriously.

## 1.2 Background of the Study

In such a competitive environment, it is increasingly being recognized that the entrepreneurship education is a benchmarking force that brings a big impact on the growth and societal progress of a nation (Afriyie & Boohene, 2014). According to Fellnhof (2015), the entrepreneurship education can push the individuals to enhance their knowledge and skills in which it could train them to be a new comer to start, organize and manage their own business. As mentioned by Onuma (2009), this is a form of education that serves to produce a decent and skilled labor for many economic sectors. The entrepreneurship education is seen as a tool that can develop cognitive and conceptual clarity, entrepreneurial skills, experiential learning and innovation (Malaysia Education Blueprint, 2016, p.81).

Ever since the entrepreneurship education receives considerable attention across the globe, major reforms had been conducted to ensure that students capture all entrepreneurship skills and mindset effectively. For example, in Poland, the entrepreneurship education curriculum for all types of schools was approved. The entrepreneurship classes are mandatory requirement for upper secondary schools' students aged between 16 to 20 years old. For each semester, there are 60 hours of obligatory "Introduction to Entrepreneurship" classes for these students. Moreover,





the teachers have the freedom to use their own methods and learning materials to deliver entrepreneurship education depends on students' learning progress (Lechner, Tomasik, Silbereisen & Wasilewski, 2015).

Comparing our entrepreneurship education to Poland who spends more than 50 hours per semester for teaching entrepreneurship education to graduates, it has been looking as an effective initiative on promoting the entrepreneurship education among their graduates since their graduates tend to be self-employed once graduated. Lechner et al. (2015) admitted that Poland graduates become more interested in running their own businesses. This massive effort by Poland government should be emulated by Malaysia to increase the job opportunities among our graduates according to the suitability of the graduates on teaching approach and environment.



As a matter of fact, countries all over the world have practiced a lot of entrepreneurship educational initiatives for their communities to enhance employment opportunities. This can be seen through countries like United Kingdom, Nigeria, Ghana and European Union countries that have imposed the entrepreneurship education in order to increase their human capital (Witte & Wolf, 2003). For example, the promotion through media-radio, televisions, satellites and local town criers enables the people to embrace with it. Providing education as a best quality in nation is one thing and the ability to manage it as to obtain the right quality to adapt with immediate and larger society.

Recently, there has been increasing global interest over the expanded unemployment rate around the world, especially in most developing countries where







the youths have been classified as the most influenced groups. Consequently, many governmental and non-governmental organizations have begun more policies through support agencies like the National Poverty Eradication Program (NAPEP), Small Medium Enterprises Development Agency (SMEDAN) and many others. Later, the Federal government of Nigeria imposed such platform to instil entrepreneurship culture in students of higher learning institutions (HLIs). Due to this, the planned platform was committed to the National Universities Commission (NUC, 2004) to include the entrepreneurship course in the curriculum of Nigerian Universities with the hope of lowering unemployment among the graduates (Aja Okorie & Adali, 2013).

Meanwhile, the entrepreneurship education also is not a new field in Malaysia.



It has been an age long belief among the citizens, a culture and habit that has regularly been inherited from a generation to a new generation. The three ethnic races in Malaysia, for example Malay, Chinese and Indian have engaged in entrepreneurship since early childhood for employment purpose. This statement is supported by Zahari Ismail and Zamberi Ahmed (2013) who claimed that entrepreneurship had been practiced by people in the community for job creation and employment.

Entrepreneurship education is a long-life learning process starting as early at the elementary school and progressing through middle or secondary school to HLIs including adult and non-formal education. It is therefore a key to graduates, states, nationals, continentals and world economy by generating wealth through jobs opportunities, thereby helping to meet up with the fast-changing social political and economic demands of modern society unemployment among the graduates.





Entrepreneurship education in Malaysia was implemented through the establishment of *Kembara Usahawan* (KEMUSA) curricula in June 1982 in Institut Teknologi Mara (ITM) as to form the awareness on the entrepreneurial activities among the graduates. As a working way to make it considerable, ITM implemented entrepreneurship subject as an obligatory subject to be taken by all diploma graduates known as Fundamental of Entrepreneurship (ETR300) later in 1988. According to Abdullah, Osman and Rahim (2008), the introduction of KEMUSA and ETR 300 is a starting point of entrepreneurial knowledge among the students on HLIs to equip with competencies to start own business in future.

Entrepreneurship education in HLIs was successfully established because HLIs in Malaysia are leading to the right path by enrolling the entrepreneurship education to all students. This can be seen when 53% of HLIs in Malaysia adopted the entrepreneurship education as their compulsory courses. This strong effort in exposing the entrepreneurship environment in HLIs is aligned with the fact that 90% of HLIs students in Malaysia shared an interest in starting their own business in the future (Rahim et al., 2015).

The Ministry of Higher Education (MOHE) also insisted to produce balanced and holistic graduates with entrepreneurial mindsets which offering the students on particular characteristics for example ethics and spirituality, leadership skills, national identity, language competence, pertaining to thought skills and knowledge (MEB, 2016). Nzeabibe and Ajaero (2011) stated that the general purpose of entrepreneurship education in the university scope is to consistently promote the





entrepreneurship among the graduates. It is not only about educating themselves regarding the entrepreneurship but supporting them to establish own business.

Recognizing the importance of the entrepreneurship education within Malaysian graduates in promoting the entrepreneurship development, MOHE has taken various initiatives in making the entrepreneurship education course as a compulsory curriculum in local HLIs. For example, the graduates have been encouraged to participate in entrepreneurship activities since in HLIs like entrepreneurship training, seminars conferences, events and many more. This kind of exposure among the graduates will help them to develop the entrepreneurship mindset (Shinnar, Pruett & Toney, 2009). This effort is seen to reduce the unemployed graduates as well as increasing the business opportunities among Malaysians.



MOHE starts to offer the formal entrepreneurship education and the new approaches such as new entrepreneurship curriculum, teaching approaches and universities' parts in delivering the courses that help in inculcating the entrepreneurial thinking at any education's level. While at Technical and Vocational Education and Training (TVET), the entrepreneurship education was adopted to the educational curriculum to foster the graduates' effort to start a business in future. For example, Wang and Verzat (2011) claimed that the establishment of the entrepreneurship education into tertiary institutions lucratively transformed students' interest and mindset towards entrepreneurship.

Although every country sees the entrepreneurship education from different angle especially due to the country's cultures and environment, the entrepreneurship





education generally shares the same purpose which is to create employment opportunities through practiced entrepreneurial activities. This statement is supported by Hadi, Firdaus and Jabor (2011) that stressed on the comprehensive plan to grasp the government's purpose which to provide students with information and learning for entrepreneurship. For example, the students are given the chances to strengthen their skills through training at National Youth Training Institute (IKBN), Institut Latihan Perindustrian (ILP), Pusat Giat Mara and Institut Kemahiran Mara (IKM).

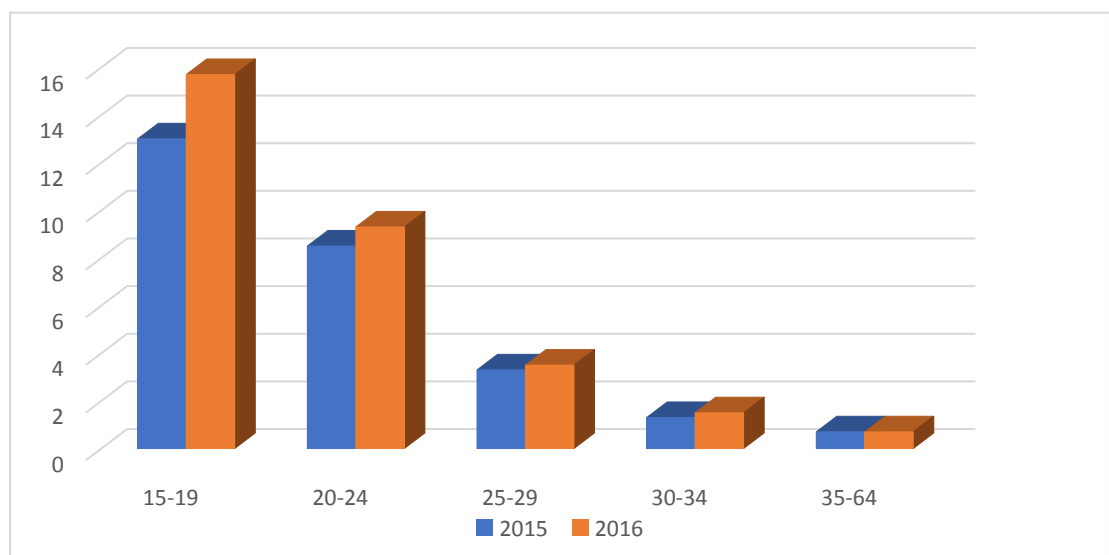
MOHE has implemented Entrepreneurship Development Policy in 2010 to reinforce the entrepreneurship education in HLIs. This policy intended to produce the students with entrepreneurial mindset and culture through education and trainings (Zahari Ismail & Zamberi Ahmed, 2013). This policy also intended to ensure the structured education that can suit the challenges and demands on future graduates (MOHE, 2014).

In order to enhance experienced human resources, the ability to create new innovation and technology as well as to encourage business to remain commercial in an industrial community by 2020, the government has implemented entrepreneurship education as a strategy to achieve the aims under Outline Perspective Plan (OPP 3<sup>rd</sup>) on 2006. At the HLIs, entrepreneurship education is considered as a practical way to cultivate the entrepreneurship among the students. The entrepreneurship is also seen as a dependable mechanism to Malaysian economy which is further supported by McMullen (2011) who observed the importance of entrepreneurship in maintaining the continuous economic development in Nigeria through teaching and learning of entrepreneurship education to sustainable economic growth.



One of the symptoms of low entrepreneurship skills among Malaysia students is the unemployment rate. The unemployment in Malaysia is seen to be a highlighted topic every year since many graduates are having difficulty to look for a suitable job for them. Fajana (2000) claimed that unemployment is a situation where individuals are willing to work but do not capable of finding jobs that provide sufficient salaries and benefits. Given this scenario, it becomes pertinent to examine how entrepreneurship education influences the undergraduate students' career intention and entrepreneurial skills.

Percentage (%)



Age group

*Figure 1.1.* Unemployment Rate by age group. Monthly Labor Force Survey, Department of Statistic (2016)

Figure 1.1 shows the unemployment rate by age group in Malaysia for the year 2015 and 2016 respectively. It shows an increment from 2015 to 2016 for the age group of 20-24 years old was increased by 0.8%. It was monopolized by the age group of



20-24 years old with 0.8% contribution whereby it was a common age for the undergraduate students that supposedly complete their study.

Hence, in order to reduce the unemployment rate, the researcher addressed possible elements that can be practiced which are career intention and skill acquisition that drive Malaysia to reduce the unemployment rate. As discussed by the researcher, career intention and skill acquisition among the graduates can be sorted in order to increase the employment through the entrepreneurship education in HLIs (Chiekezie, Nwezi & Erhinmwionose, 2016). This is because entrepreneurial career intention and skills go beyond training and education where it involves the process of human capacities building through formal and informal training inculcating the basic skills in entrepreneurship. The skill acquisition helps the graduates to be self-reliance, independent and to reduce their reliance on white collar (Ayodele, 2013).

The need to have a job and choosing the future job in one's life is an essential issue because recognizing the career choice possibly impacts the society as well. Hence, the students need to be aware of their own career selection. Entrepreneurship education has been shown to commit to the development of graduates' entrepreneurial intentions although the findings are not entirely convincing (Kuttim, Kallaste, Venesaar & Kiis, 2014). Global Entrepreneurship Monitor (GEM, 2016) revealed that there were only 4.9% of entrepreneurial intention rate in Malaysia. Thus, this shows that the graduates put the entrepreneurship as their last desire or intention once they are difficult to be seated in a certain company or be employed.





In the 21st Century, there has been a growing burden about the role of HLIs and how well they are flattering the organizations' needs. Malaysian Prime Minister mentioned that only 23% of the workforce is highly skilled in the year 2010 (Ramakrishnan & Yasin, 2011). This percentage is much decrease compared to other developed countries. It was emphasized that there is a need to reform the content of highly experienced workers to at least 37% by 2015, to become a developed nation. However, GEM (2016) reported that there are only 28.3% of highly skilled workers in Malaysia.

While incorporating with benefits among the related parties, the entrepreneurship education is seen as a good start to be practiced by graduates to reduce the unemployment rate. This is because our government always wants to encourage the graduates to be self-employed rather than being employed by others. Due to the unemployment rate problem faced by Malaysia, our government decides to introduce Skim Latihan 1 Malaysia (SL1M) among the undergraduate students who remain unemployed after graduation. This is the massive effort in taking the correct action to reduce the unemployment rate. This program serves the graduates with more knowledge and skills through their program contents like workshops, seminars and many more. However, GEM (2016) reported that Malaysia's developing entrepreneurship rate is the lowest among 11 Asia Pacific and South Asia countries.

From the author's knowledge, an investigation of the entrepreneurship education and its influence on career intention and skill acquisition are generally scarce (Ekpe & Razak, 2016). They reviewed that there was a scarcity of the research that empirically measured the entrepreneurial skill acquisition and career intention





among the graduates. Taking the views from Malaysia scenario, the researcher identified that some scholars who did not exactly focus on career intention and skills acquisition as overall for example, Kim-Soon, Ahmad & Ibrahim (2014) studied on entrepreneurial motivation and entrepreneurship career intention at Malaysian public university. They stressed on entrepreneurial motivation that can raise up the graduates' entrepreneurial career intention through behavioral control, subjective norms and attitude towards entrepreneurship. In addition, Mushtaq and Khan (2012) also conducted a study on the influence of entrepreneurship education and students' views on self-employment among postgraduate students in Universiti Utara Malaysia. The paper seeks to determine whether the knowledge acquired in entrepreneurship courses has an influence on the views expressed by postgraduate students on self-employment. The technical knowledge and innovation show a positive relationship on



Thus, this study investigates the influence of entrepreneurship education on career intention and skill acquisition among undergraduate students in Kelantan. The researcher includes only Kelantan in her research because Kelantan (13.8%) has the highest unemployment rate among their graduates as recorded by Malaysian Industrial Development Finance Berhad (MIDF, 2017), as well as the researcher sees Kelantan can be developed with many entrepreneurs in future.







Table 1.1

*Unemployment Rate (%) by States. Malaysian Industrial Development Finance Berhad (MIDF, 2017)*

|                 | 2011       | 2012       | 2013        | 2014        | 2015        | 2016        |
|-----------------|------------|------------|-------------|-------------|-------------|-------------|
| Johor           | 8.0        | 10.4       | 8.8         | 9.4         | 10.8        | 11.6        |
| Kedah           | 14.4       | 12.2       | 9.5         | 10.0        | 10.2        | 9.7         |
| <b>Kelantan</b> | <b>7.8</b> | <b>9.1</b> | <b>10.5</b> | <b>12.1</b> | <b>12.1</b> | <b>13.8</b> |
| Kuala Lumpur    | 10.9       | 10.5       | 10.3        | 12.1        | 13.0        | 12.3        |
| Melaka          | 3.4        | 1.8        | 2.8         | 3.2         | 4.1         | 2.8         |
| Negeri Sembilan | 10.6       | 10.3       | 11.5        | 8.3         | 10.6        | 8.1         |
| Pahang          | 9.8        | 9.8        | 8.8         | 10.0        | 10.4        | 9.0         |
| Perak           | 9.3        | 10.7       | 12.0        | 10.8        | 10.9        | 10.5        |
| Perlis          | 14.0       | 14.8       | 12.1        | 12.5        | 11.1        | 10.4        |
| Penang          | 5.1        | 6.4        | 7.0         | 5.9         | 5.5         | 5.5         |
| Sabah           | 13.4       | 14.4       | 13.9        | 13.3        | 13.7        | 13.0        |
| Sarawak         | 13.5       | 10.9       | 12.5        | 10.6        | 11.6        | 10.1        |
| Selangor        | 7.1        | 7.4        | 8.0         | 7.9         | 8.1         | 8.8         |
| Terengganu      | 10.9       | 10.5       | 11.9        | 13.5        | 12.3        | 12.8        |





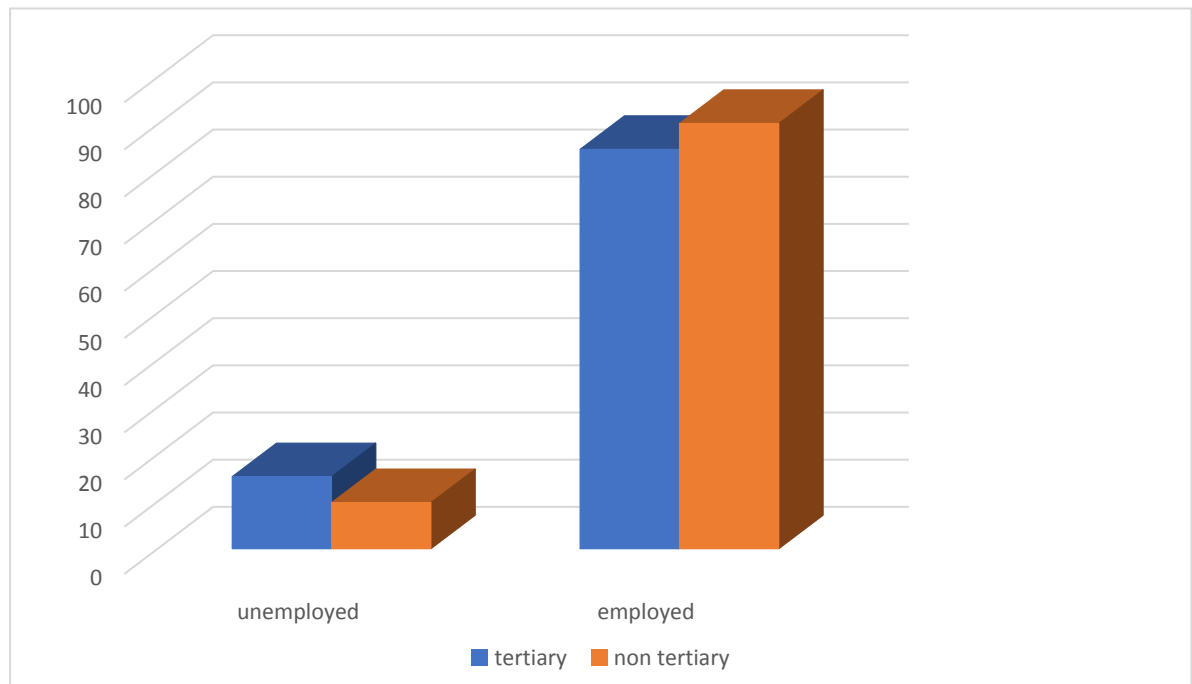
### 1.3 Problem Statement

In today's aggressive and challenging global world with various demands, many countries are facing thoughtful problems of graduates' unemployment (Adesina, 2013). Subsequently, the higher education sectors are under endless pressure from governments, employers and parents to produce quality graduates that economically can be hired to the jobs at the individual, national and global.

This scenario also can be seen through Bank Negara Malaysia Annual Report (BNMAR, 2016) that recorded Malaysia recently possesses a high unemployment rate (3.4%) whereby the government is looking at this problem as a germ within our graduates. Therefore, it is crucial to create the business opportunities among the graduates in order to provide own job or making the jobs available for others (Osotimehin, Akinlabi & Olajide, 2012).



Percentage (%)



Category of Educational Attainment

*Figure 1.2.* Graduates Unemployment Rate by Educational Attainment Statistic. Bank Negara Malaysia (2016)

Figure 1.2 shows the unemployment rate by educational attainment statistics for the year 2016. As per graph above, it shows that the non-tertiary education for unemployed is 9.8% compared to the tertiary education for unemployed is 15.3%. The chance of being employed for tertiary education is 84.7% while being employed for non-tertiary education is 90.2%. MIDF (2017) reviewed that high unemployment rate seen in the global economy is common due to misalignment in labor market. A mismatch between supply and demand mainly causes high unemployment among the graduates. Moreover, the lesser demand from industries is possibly due to the youth's lack of work experiences and skills. They reviewed that our graduates failed in communication skill at first place as well as having less concentrated experiences regarding the job scope. The non-tertiary education for employed remains high



because they used the time to participate in seminars, workshops, courses and many more to develop themselves with more experiences compared to the individuals that get themselves into tertiary education for several years for having their theoretical knowledge and certificates (BNMAR, 2016).

This is because, the industrial nowadays evaluates the graduates based on their knowledge, experiences and skills. This has been supported by Anho (2011) which stated that training, mentoring and work experiences should be included in order to be employed by certain company. Ayodele (2013) emphasized that skills are essential to become gainfully employed by others. This was further supported from Malaysia view, Omar and Rajoo (2016) that keep mentioning fewer communication skills, soft skills and working experience among the graduates which will influence the job placement for them.



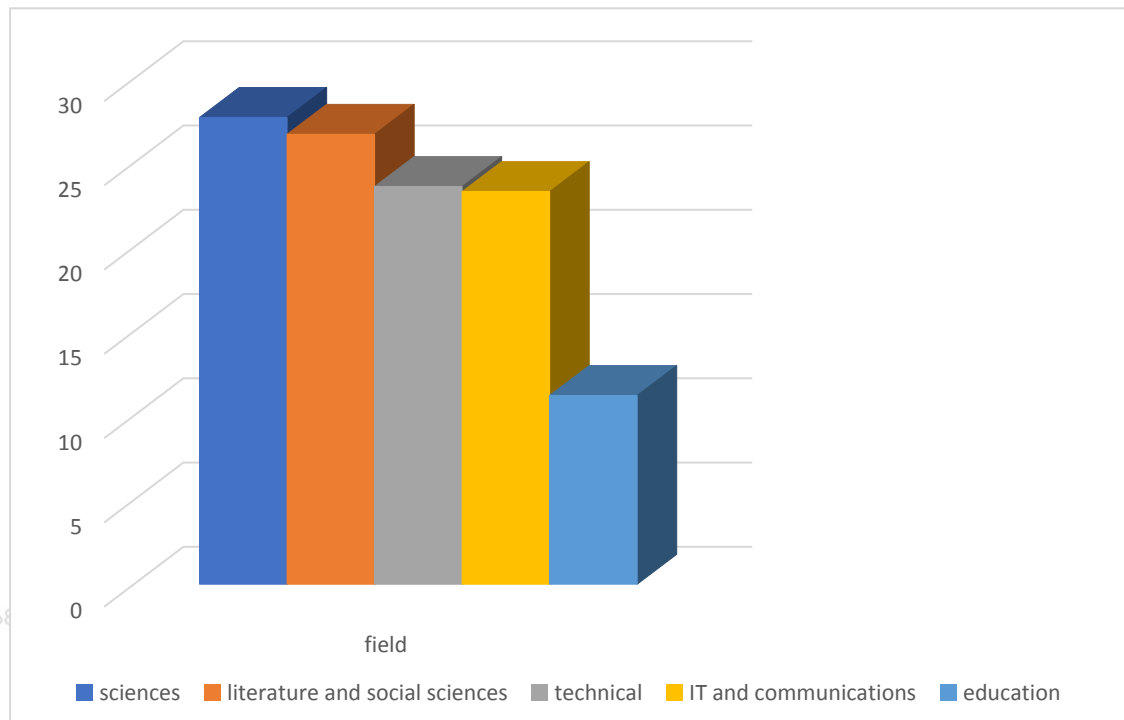
Bezuidenhout (2011) mentioned that skill acquisition as a key for elimination of joblessness. He stressed that the graduates with the relevant skills will be fully engaged in job opportunities while it is inversely for the graduates with no related skills at all. Therefore, a few related issues emerged as the results of the lack of entrepreneurship skills among Malaysian students are addressed in this research and discussed transparently.

Firstly, the unemployment rate in Malaysia is seen as an important problem that affects the graduates in looking for a job placement. This is due to many excessive graduates in the market. It is said to be excessive graduates because of not



being modulated with the industries' demands or producing the graduates who are not in market demand (BNMAR, 2016).

Percentage (%)



Field of Study

*Figure 1.3. Unemployment Rate by Field of Study. Bank Negara Malaysia (2016)*

Figure 1.3 shows the unemployment rate by field of study for the year 2016. It shows that field of study from sciences is the highest contributor with 27.7% to unemployment rate followed by literature and social sciences with 26.7%, technical with 23.6%, IT and communications with 23.3% and education with 11.2% respectively. As a country that will develop aligned with Vision 2030, it is likely to see that Malaysia will be developing massively in future with robotics and advance machines that will replace the human's works. Therefore, the unemployment rate by



field of study is no longer relevant since the possibilities of replacing the robotics is high ahead Vision 2030.

BNMAR (2016), also reported that the unemployment rate reduced slightly compared to the year 2015 (3.5%) due to less job creation and weak country's economic growth. It was also reported that the graduates are likely to be last to be employed and first to be ignored due to lack of experiences and poor abilities to correspond their skills adequately to employers.

In the meantime, the firms point out that the skills shortage as a key factor which prevents them from making an investment to move up the value chain. The employer contended that the current university curriculum does not reflect the current skill requirements. They also tend not to have a structured internship program that exposed graduates to be prepared for the realities of the working environment. These statements are based on a survey handled by the World Bank and Talent Corporation which further initiated that 90% of organizations believed universities' graduates should have more technical training by the time they graduated (BNMAR, 2016).

Therefore, to cope with this problem, the entrepreneurship education is looking forward to serving more relevant and skill-oriented education to the students. Establishing the entrepreneurship education as a formal curriculum is seen to support a positive view among the students towards running their own business. This is because it tends to provide the graduates with knowledge, skills and motivation to encourage entrepreneurial success (Onourah, 2014). Later, Din, Anuar and Usman (2016) highlighted that the introduction of entrepreneurship education at HLIs will





produce the graduates with entrepreneurial mindset besides increasing the interest towards nurturing their own business.

Secondly, due to the lack of skills possessed by Malaysian students and the number of hired foreign workers in Malaysia also increased which affect the graduates' employability from day to day. This shows that our government is depending on the foreign workers in terms of outside expertise and skilled workers because Malaysia is still practicing easy hiring of foreign workers at a cheaper cost (Star Online, 2017).

Table 1.2 as per below shows the foreign worker statistics for the year 2016. The highest population comes from Indonesia with 728,870 people and the lowest population comes from Laos with 39 people per year basis respectively. According to Indonesia Investment (2017), the unemployment rate is 6.2% for the year 2016. As reported, most of the workers lost their jobs due to the economic crisis for the recent year and many of them decided to migrate to Malaysia for employment reason.





Table 1.2

*Foreign Workers Statistics. Malaysian Immigrant Department (2017)*

| County      | Population |
|-------------|------------|
| Indonesia   | 728,870    |
| Nepal       | 405,898    |
| Bangladesh  | 221,089    |
| Myanmar     | 127,705    |
| India       | 114,455    |
| Pakistan    | 59,281     |
| Philippines | 56,153     |
| Vietnam     | 29,039     |
| China       | 15,399     |
| Thailand    | 12,603     |
| Sri Lanka   | 5,964      |
| Cambodia    | 5,103      |
| Laos        | 39         |

Moreover, Malaysian Immigrant Department also reported that MY Expatriate has approved 82% of Pas Lawatan Kerja Sementara (PLKS) compared to its first operation year with 71%. The five related countries are China, India, Japan, the Philippines and Indonesia. This is proven that Malaysia economic growth has provided the opportunities that required skills especially for the high-value and value-added sectors. For example, Malaysia demanded highly for skilled workers in the financial sector and Malaysia provided a certain portion for foreign placement (Malay Online, 2017). Ismail (2011) mentioned that employment prospects of







graduates with a good command of technical skills are better when compared to those without these skills in involving themselves into the working environment.

In Malaysia, 15.3% of graduates find themselves in troubled of getting a job every year (BNMAR, 2016). As the policymaker's stress on reducing the unemployment, many looks to the economic growth as an indicator of job opportunities by increasing the numbers of businesses. Commonly, the growing economy is seen to provide more jobs.

According to Malay Online (Feb 2017), this scarcity has immediate employers' willingness to employ foreign skilled workers. In addition, more than 65% of employers said they were willing to offer attractive salaries to gain appeal. This is because nearly 100% of employers here griped of the lack of talent and reminded that the problem could be further combined by retention issues as more than 40% of workers surveyed said they are actively watching for new professions, mostly for better pay.

Lastly, due to the lack of entrepreneurship skill and the increasing number of close down factories in Malaysia is seen as a factor that driving to graduates' employability in the future. This can be seen through the transition of the international company to another country as a failure to the country's economic development. For example, British America Tobacco (BAT) which is a British multinational tobacco company based in London, United Kingdom decided to close the operational factory based in Petaling Jaya. The company desired to restructure it back because of the





sales fell sharply due to the high duty imposed by the Malaysian government and the firm competition with the illegal cigarette in Malaysia. Due to this, BAT must terminate 230 employees in short.

In addition, Giant supermarket also has closed a few outlets' operation in Peninsular Malaysia due to outlets leases have lapsed. This has happened because Giant outlets will be relocated and scaled down from a hypermarket to a superstore. This decision is not only due to competition but because of e-commerce and e-shopping that have become trendy where most people prefer online shopping and have the goods delivered to their homes (Star Online, 2017).

Giant now is doing this to ensure the business is sustainable and it has nothing to do with claims that the country is going to bankruptcy. These five related outlets are in Seri Manjung, Sungai Petani, Shah Alam City Centre Mall, Sibu and Selayang Lama will be closed on Nov 5, 2017. This has impacted to employee's position whereby with this situation, Giant has to terminate more than 1000 employees by stages.

Furthermore, Aeon Big Sdn Bhd is planning for a big jump in 2018 with a new business plan that turns around centralizing its hypermarket chain and concentrating on a single business format. Aeon Big now is in the process of closing down three outlets in Rivercity, Bangsar South and Kota Damansara as a part of its cost-cutting assessment and the process is assumed to be outrighted by the first quarter of this year.





The exercise of Goods and Service Tax (GST) and higher import prices are the senses for changes in customer behavior as well as the expanded economic changes, these stores are no longer practicable. The modifications are a part of a long-term strategy to rebrand and reorganize the hypermarket chain to ensure higher profits while maintaining daily operational costs at a reasonable level (Star Online, 2017). More than 500 employees will be terminated and some of them will be redeployed to other stores.

From this scenario of the closed down factory and supermarket outlets, it has contributed to high unemployment in Malaysia as well. Thus, entrepreneurship is seen as a valuable essence that these employees can use after the termination because they can probably practice this entrepreneurship to set up their own small business for a starting and as well as making the jobs viable to unemployed (Ibrahim, 2011).

Therefore, various present initiatives were implemented by MOHE in integrating a lot of entrepreneurial activities for university students to increase the potential of being the entrepreneurs (Din et al., 2016). Despite that, most of the students think that entrepreneurship is not suitable for them due to less entrepreneurial knowledge on this area and not fully utilize in preparing themselves with the preferable skills and competencies needed for employment creation.

Many countries all over the world have realized the importance of entrepreneurship education via job creation. Regarding this, the Malaysian government has introduced a lot of enterprise development programs to support the citizens in enterprise creation, for example, the establishment of entrepreneurship





education curriculum in universities. However, Abdullah et al. (2008) claimed that employment creation among the students is at a low level.

Leong (2011) highlighted that overall employment creation among graduates has remained low at about 3%, with tertiary graduates taking up an increasing share of the workforce. However, this rosy picture of full-employment and human capital growth may mask several underlying challenges. Despite becoming more educated, graduates are finding it increasingly difficult to secure employment. He mentioned again that there is a growing mismatch of the skillsets supplied and demanded in the labor market, leading to underemployment as tertiary graduates increasingly take jobs that only require secondary-level education and thus they might be overqualified for. This was further supported by Ikegwu, Ajiboye, Aromolaran, Ayodeji & Okafor (2014) whereby he stressed that employment creation among graduates is at the low level due to the scarcity on skill acquisition among them.

Instead of working for others, the aim of entrepreneurship education is to create the employment opportunity, especially for our graduates. Rather than be a job hoping, the graduates may start to structure on how to create some job opportunities for them to decrease the unemployment rate in Malaysia. This is a suitable time to practice and apply what they have learnt about entrepreneurship education in HLIs in terms of theoretical knowledge, soft skills and experience which can influence them a little bit in career intention and skills acquisition in future preparation.





## 1.4 Research Objectives

In general, the research attempts to measure the influence between entrepreneurship education on career intention and skills acquisition among undergraduate students. Specifically, this research aims:

- i. To examine the entrepreneurial skills that undergraduate students acquire after completing the entrepreneurship course.
- ii. To determine the influence of entrepreneurship education on undergraduate students' career intention.
- iii. To determine the influence of entrepreneurship education on undergraduate students' skills acquisition.



## 1.5 Research Questions

In accordance with the research problem discussed, the following three (3) research questions are suggested:

- i. What are the entrepreneurial skills that undergraduate student acquires after completing an entrepreneurship education course?
- ii. What is the influence of entrepreneurship education on undergraduate student's career intention?
- iii. What is the influence of entrepreneurship education on undergraduate student's skills acquisition?



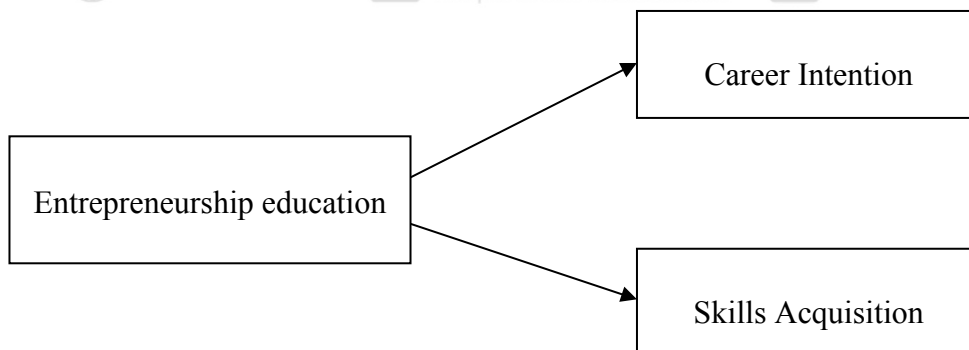
## 1.6 Hypothesis

The hypotheses developed for the study are:

H<sub>01</sub>: There is no significant influence between entrepreneurship education and career intention among undergraduate students.

H<sub>02</sub>: There is no significant influence between entrepreneurship education and skills acquisition among undergraduate students.

## 1.7 Research Framework



Independent Variables (IV)

Dependent Variable (DV)

Figure 1.4. Research Framework



## 1.8 Significance of the Study

As a developing country, Malaysia needs to enhance entrepreneurship education in its education ecosystem. Earlier vulnerability about the entrepreneurship education can be very convenient to foster entrepreneurial culture and mindset among the graduates.

Therefore, this study would provide a significant contribution to our understanding regarding the effect of entrepreneurship education on career intention and skill acquisition among undergraduate students. In a broader context, this research could provide valuable input to the government agencies related to job placement aspects, the educational sectors and entrepreneurs to enhance their business and gain a sustainable competitive advantage.

Findings related to the effect of entrepreneurship education on career intention and skill acquisition, on the other hand would also stay vital in the effort of ensuring full realization of the objectives of entrepreneurship education. For agencies, whether public or private sectors, this comes as a benefit to employers for these are transferable skills sought by employers whenever they want to hire certain employees at their company. It certainly gives employers the type of people to employ, the skills to look out for employees, how well these employees can perform the task. Studies done by Rahim et al. (2015) mentioned that the students that have taken the entrepreneurship education have more understanding and make themselves clear about the entrepreneurial mindset and behavior.





Furthermore, it will assist policy planners to formulate and implement appropriate policies that are geared towards realizing the objectives of entrepreneurship education. Such policies like New Economic Policy (NEP), New Economic Model (NEM) and many policies more have been established and currently being implemented according to the content suitability and period passage. The government will utilize the information to know the areas of need and give necessary assistance for newcomers to start the business.

Correspondingly, educators like teachers and lecturers will ensure that entrepreneurship education is effectively taught hence it is the avenue for training job creators. As proposed by MOHE who is trying to make the entrepreneurship education as a compulsory curriculum to all public and private HLIs, this effort will massively increase the graduates with an entrepreneurial mindset and holistic towards learning this. This also acts as a significant curriculum to be carried out at HLIs level to cultivate the spirit of the entrepreneurship education among the graduates.

On the entrepreneur views, it is essential to hire the graduates with high entrepreneurial skills, knowledge and approaches in running a business well. This is because, many of the employers found to be crucial in enhancing the related skills in an increasingly challenging environment. The entrepreneurial skills among the entrepreneurs are very important because they believe that the graduates with successful entrepreneurial skills have higher tendency to look at a business with higher profit margin and the employers start to make them engage with the company.







Overall, this research could also provide the basis for a more refined research that will enable the application of the entrepreneurship education as to improve the employability among the graduates in more competitive and complex environment. It is expected that this research will accumulate to the current body of knowledge in the field of entrepreneurship education among the undergraduate students.

### **1.9 Scope and Limitation of the Study**

The scope of this research is to explore the effect of entrepreneurship education among the undergraduate students in Kelantan. In this research, the researcher's interest is to target on the influence of entrepreneurship education on skills acquisition, career intention among the undergraduate students. The framework for the study examined entrepreneurship education to test career intention and skill acquisition, the dependent variable.

The research is restricted to two entrepreneurial focused Malaysian public universities which are UMK and UiTM. This is because only those are public universities available in Kelantan.

Another limitation is the samples of the study only focus on undergraduate students in Kelantan. Particularly this research will only survey undergraduate students in UMK (Pengkalan Chepa) and UiTM (Kota Bharu).



## 1.10 Operational Definition

The operational definitions below are according to the researcher's understanding and reading:

Table 1.3

### *Operational Definition*

| Terms                      | Definition   |
|----------------------------|--|
| Entrepreneurship Education | Entrepreneurship education is an eligible course or program to be taken in the university.   |
| Skills Acquisition         | Skills acquisition is an ability to do something expertly and well. It can be obtained through attending entrepreneurial training classes, development programs, seminars and workshops. Example of skills: critical thinking skill, problem solving skill, communication skill, personal skill, decision making skill, leadership skill, management skill and innovation skill. |
| Career Intentions          | The mindset or interest or opportunity to be an entrepreneur and any consideration of starting a business.   |

## 1.11 Summary of Chapter 1

This chapter discusses in detail the introduction of the study, the background of the study, problem statement, research objectives, research questions, hypotheses, research framework, the significance of the study, scope and limitations of the study, and operational definitions in implementing the study. The next chapter will elaborate further the studies on the response variable namely entrepreneurship education on career intention and skill acquisition among the undergraduate students in Kelantan.



The focus will be to correlate the variables in the career intention and skill acquisition among the undergraduate students in Kelantan.

